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Office of the Secretary Federal Communications Commission 1919 M Street, N.W., Room 222 Washington, D.C. 20554

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In the Matter of

FCC MAIL ROOM

Implementation of Section 302 of the Telecommunications Act of 1996

Open Video Systems

CS Docket # 96-46

March 20, 1996

To Whom it May Concern,

Thank you for the opportunity to send comments for consideration regarding Open Video Systems.

First, let me speak to the concerns of municipalities across the nation who are fearful that cable operator application to be an OVS, could undermine the control of local franchise authorities over cable since the Telecommunications Act of 1996 exempts an OVS from needing a local franchise or complying with PEG access and other cable rules.

Other than the PEG access requirements, let me speak to another main concern pertaining to the franchising process that overlaps with your authority in Section 653 of the Act. Section II. I of the Proposed Rulemaking (pg. 40), asks for comments implementing the FCC's authority, including the establishment of informal or alternative dispute resolution procedures.

One of the main strengths that we have as a City in protecting our citizenry with a Franchise Agreement is that it allows us to mediate addressable cable complaints that run a wide spectrum. Frankly, this is not an unnecessary regulation that stifles competition but rather, we are a neutral, fair entity, that has experience in dealing with the local public and in turn serve as feedback for the operators in areas that they perhaps need to show improvement in. The fact that page 6 of

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your proposed rulemaking for OVS speaks to the notion or fact that it will be the Commission who has the authority to resolve matters of a local dispute within 180 days, is not prudent or reasonable. As you should not become a local zoning board and have no history of local issues nor should you concern yourself with customer disputes regarding OVS.

Experience has told me that in Indianapolis, when we do not have the authority to resolve disputes, the customer suffers greatly. This can be exemplified by the SMATV operators, that provide "cable like" services for the apartment complexes here. There is no ability on our part to intervene for customers because the SMATV does not have a local franchise.

Many elected officials in Washington and the FCC has been given a daily spin that municipalities are barriers to competition, and that is not so. Our main concern is to protect the public interest. Often, I have heard the over used term, "Creating a level playing field", when I hear discussions of legislation for telcos and cable. Yet, from what I have read about OVS, it does not create a level playing field but rather it gives the OVS platform a tilted playing field that will create a legal playing field for the legitimacy of Franchise Agreements.

In addressing paragraphs 57 & 58 of Section II, F. 2 of the Notice of Rulemaking (page 23 & 24), which deals with the implementation of PEG requirements by OVS operators. Ideally, in creating the "level playing field" concept, a requirement of PEG Access provisions should include carriage by all video providers; cable and OVS. It is the opinion of the City of Indianapolis, that an OVS Operator contribute equally to PEG facilities. That it should be a shared expense among the operators. The new operator may be asked to fairly participate or share in the other PEG requirements that have been negotiated by the City and its cable operators. This not only ensures a "level playing field", but also shows a commitment by the operators, be they cable or OVS, to the community they serve. With expanded channel capacities becoming the norm with new technology, the need to fill these new channels with programming is becoming more and more of an issue. PEG Access fills an important niche in satisfying the local community's appetite for local programming.

You are seeking comments as to whether technical and cost constraints make it burdensome to deliver PEG Channels only to certain areas within the OVS service territory. In Indianapolis, we run our Access programming over a 'B' cable to a cable operator who then sends it over a fiber optic to another cable operator for their customers. We have had a denigration of signal over the past few years with access programming on the second operator, and they realize that. Somewhere between what one operator sends to the other on the fiber, gets lost in the translation. The second operator has plans to set up a direct fiber optic feed for Educational and

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Governmental access to send them the programming, which will completely by pass other problems and create a clean signal.

In a similar way, OVS can set up a direct fiber optic link with Access entities and do so fairly inexpensively. This should somewhat answer your questions on technical and cost constraints. In fact, as my engineer put it, "I could get it done with \$10 in spare parts from Radio Shack".

On page 26, item #60, we agree with your statutory provision that., to the extent possible, obligations that are imposed on open video system operators should be no greater or lesser than the obligations imposed upon cable operators.

It should be noted that in some cases, many of the PEG requirements can be met through simple interconnection with the cable operator. However, as I have explained previous, that may be ok with one operator but not necessarily the other in Indianapolis. At least, not until they have greatly improved their signal to their customers in the manner they plan to as explained.

In receiving the PEG signals, OVS may require modulators and demodulators, as some access entities send their signals over the Institutional Network or I-NET. This transferring of information by these methods is relatively inexpensive.

In Indianapolis, we are in the middle of a franchise renewal, and it is our strident goal to make the cable franchise agreements as uniform as possible, so that new operators are required to comply with the same rules as everybody else.

Rick Maultra

Telecommunications Coordinator

City of Indianapolis

CC: Cable Bureau/FCC Information Office

FCC Commissioners

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